

Allisya Rupiah Balanced Fund

July 2016



BLOOMBERG: AZSRPBL:IJ

INVESTMENT OBJECTIVE

The objective of this fund is to achieve conservative long term capital growth while earning relatively stable income.

INVESTMENT STRATEGY

To achieve the investment objectives, this fund shall be invested with a target of 7.5% in short term sharia instruments (such as deposits of sharia, sharia SBI, sharia SPN, and / or money market mutual funds), 40% in medium or long term sharia instruments (such as sharia bonds, sharia corporate bonds and / or sharia fixed income mutual funds), and 52.5% in the sharia based equity instruments in accordance to OJK's decision (either directly through sharia stocks or through sharia equity mutual funds).

PERFORMANCE INDICATOR

Return Performance

Last 1-year Period **9.99%**
 Best Month **10.95%** Jul-09
 Worst Month **-14.39%** Oct-08

Portfolio Breakdown

Equity **53.42%**
 Treasury Bonds **16.15%**
 Govt. Related Bond **0.55%**
 Mutual Funds - Bonds **2.79%**
 Sharia Cash/Deposit **27.09%**

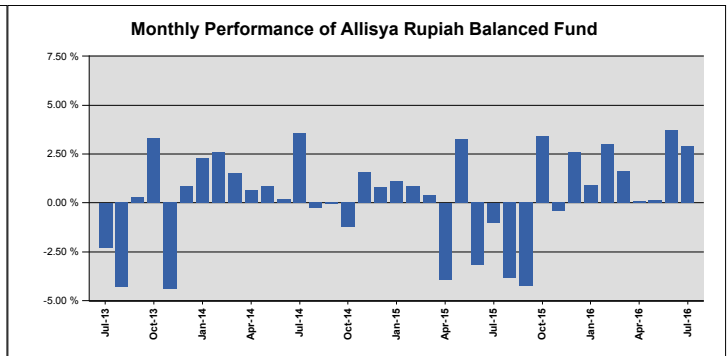
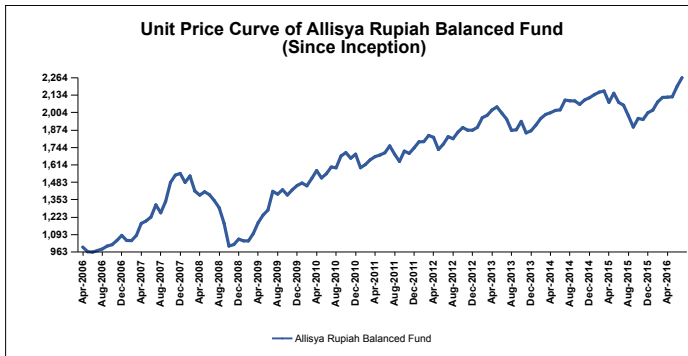
Top Five Bonds Holding

53.42% INDOIS 8 7/8 11/15/31
16.15% PBS001 4.45% 15/2/18
0.55% INDOIS 8 3/4 08/15/23
2.79% PBS002 5.45% 15/1/22
27.09% PBS004 6.1% 15/2/37

Top Five Stocks Holding

6.88% Telekomunikasi Indonesia **10.89%**
3.45% Unilever Indonesia **8.54%**
3.01% Astra International **7.93%**
1.36% Indofood CBP Sukses Makmur **2.26%**
0.76% Indofood Sukses Makmur **2.21%**

| | 1 Month | 3 Months | 6 Months | 1 Year | 3 Years | YTD | Since Inception |
|------------------------------|--------------|--------------|---------------|--------------|---------------|---------------|-----------------|
| Allisya Rupiah Balanced Fund | 2.91% | 6.87% | 11.99% | 9.99% | 15.83% | 13.04% | 126.44% |



KEY FUND FACTS

Fund Size (in bn IDR) : IDR 538.34
Risk Profile : Moderate
Launch Date : 25 Apr 2006
Fund Currency : Indonesian Rupiah
Managed by : PT Asuransi Allianz Life Indonesia

Pricing Frequency : Daily
Price per Unit (As of Jul 29, 2016) : **Bid** IDR 2,151.20 **Offer** IDR 2,264.42
Bid-Offer Spread : 5.00%
Management Fee : 2.00% p.a.

MANAGER COMMENTARY

Central Bureau Statistics of Indonesia (BPS) announced Jul's inflation at 0.69% mom (vs consensus 0.83%, 0.66% in Jun 2016) mostly were caused by higher food ingredients, process food and beverages prices. On yearly basis, inflation stood at 3.21% YoY (vs consensus 3.37%, 3.45% in Jun 2016). Core inflation printed at 3.49% YoY, unchanged previous month (vs consensus 3.59%). In the Board of Governors' Meeting on Jul 21st, 2016, Bank Indonesia maintained its reference rate at 6.50%, Lending Facility at 7.00% along with its facility rate (FASBI) at 4.50%. Rupiah appreciated by +0.65% to 13,094/USD at end of July as opposed to 13,180/USD previous month. Indonesia economic growth in second quarter 2016 was increased 4.02% QoQ (5.18% YoY compared to previous quarter at 4.91% YoY) which largely led by growth in agriculture, forestry and fisheries business sector. By expenditure, government spending and private consumption were the main drivers while investment continued to ease and net export ebbed. Trade balance booked a surplus of +US\$0.9bn (non-oil and gas surplus +US\$1.399bn, oil and gas deficit US\$-0.498bn) in Jun 2016. Export fell by -4.42% YoY mostly driven by a reduction in exports of iron and steel goods, while imports fell by -7.41% YoY. FX Reserves rose by US\$1.62bn from US\$109.79bn in Jun 2016 to US\$111.41bn in Jul 2016 on the back of revenue from tax, and oil-gas, as well as proceeds from Bank Indonesia's FX bills, known as SBBI. Reserves are sufficient for 8.5months imports or 8.2months imports and government external debt payments.

IDR government bond yields closed lower all across the curve in Jul 2016 on the back of buying action driven by foreign inflows. Market rally occurred post the tax amnesty approval announcement. Positive sentiment came from BI signaled for monetary easing and better than expected trade balance result. Buying action continues until end of the month – from both sides local and foreign – triggered by news that Indonesia's deposit insurance (LPS) stated that it is looking to change its method in calculating their guaranteed rates to be around BI's 7 day reverse repo rate. Positive sentiment also came from cabinet reshuffle on July 27. President Joko Widodo has announced the composition of his new cabinet reshuffle (July 27) with 4 transferred minister and 9 newly appointed ministers, saying that the shake-up aims to create a more efficient cabinet. Offshore accounts increased their holding by IDR 15.04Tn in Jul 2016 (+2.34% MoM), from IDR 643.99Tn as of Jun 2016 to IDR 659.03Tn as of Jul 2016, which brought their holding to 39.39% of total outstanding tradable government bond (from 39.10% in the previous month). The 5Y yield Jul 2016 ended -55bps lower to 6.76% (7.31% in Jun 2016), 10Y tenor ended -51bps lower to 6.94% (7.45% in Jun 2016), 15Y tenor ended -41bps lower to 7.24% (7.65% in Jun 2016) and 20Y tenor ended -30bps lower to 7.39% (7.69% in Jun 2016).

The JII (Jakarta Islamic Index) closed higher in July at 726.61, gaining +4.65% MoM. Large cap stocks such as TLKM, PGAS, ASII, INDF, and INCO contributed to the MoM gain, all of which rose by +6.28%, +40.60%, +4.39%, +14.83%, and +40.66% MoM respectively. The equity market continued to react strongly as a result of the passing of the tax amnesty bill that is expected to increase the government's future tax collection, to the point that it will be able to fund most of its infra projects and populist policies without relying heavily on external funding. This positive sentiment has reflected in strong foreign inflow which is posted US\$900mn in Jul-16. Investors were also surprised by the second cabinet reshuffle announcement, especially on the appointment of former finance minister and current managing director at the World Bank, Sri Mulyani as the new finance minister. Having a sound track record as a true reformist, she would be able to manage fiscal risk more properly going forward. On a broader framework, she will likely deliver a more consistent fiscal policy and be able to continue tax amnesty and tax reform programs. Keep in mind that she was the engineer for the so-called soft tax amnesty, Sunset Policy 2008. Bottom line, the two catalysts have and will send positive sentiment to wards investors and will have real benefits towards the economy as a whole, especially private investment. Sector wise, the Mining Sector was the best performing sector this month, appreciating by +12.30% MoM. INCO (Vale Indonesia) and ADRO (Adaro Energy) were the movers; gaining by +40.66% and +22.35% MoM respectively. This was followed by the Infrastructure Sector that posted +6.25% MoM gains, driven by PGAS (Perusahaan Gas Negara) and TLKM (Telekomunikasi Indonesia) which rose +40.60% and +6.28% MoM respectively. On the other side, Consumer Sector was the worst performing sector this month, losing by -0.08% MoM. UNVR (Unilever) and ROTI (Nippon Indosari) were the laggards, decreasing -0.06% and -0.95% MoM respectively.